

GOVERNMENT OF TELANGANA

ABSTRACT

ITE&C Department - Constitution of Advisory Committee for Telangana State
IT MSME Promotion (ACTSITP) – Orders – Issued.

INFORMATION TECHNOLOGY, ELECTRONICS & COMMUNICATIONS (Promotions) DEPARTMENT

G.O.Ms.No. 9

Dated: 26-09-2020

ORDER:

IT & ITES Industry in Telangana State is one of the largest employers in the State and employs about 6,25,000 people directly and creates about 3 to 4 times of indirect employment, thus generated an aggregate of 20 lakh jobs in the State, that impacts one in four households in the state of Telangana directly or in-directly. IT Industry exports from Telangana for the year 2019-20 stood at around INR 1,28,000 Crores posted an annual growth of 18% over the previous financial year. This Industry over the years has been a big contributor to Gross State Domestic Product (GSDP) and taxes revenues in the State of Telangana and has potential to double the employment by 2025.

2. Micro Small and Medium Enterprises and Start-Ups form majority of the IT & ITES Industry operating in Telangana and they contribute significantly to the employment. MSMSEs provide the necessary Talent Supply Chain and nurture the talent, enhances the readiness of the industry for the next wave of growth in the state as well at the National level. The State of Telangana also has major share of Start-Ups in the country with more than 1000 start-ups incubated in technology & services sectors over the last few years in Telangana.

3. Due to the Impact of COVID 19 and related market conditions since March 2020, majority of the MSMEs and Start-Ups in the IT & ITES Sector got severely impacted. There is a need for Government of Telangana to provide appropriate and timely support to these MSMEs in the state in various possible ways like channelizing Government IT projects to the competent MSMEs in the State and come-up with other possible ways of support for MSMEs to ensure their sustenance in this challenging period and get them ready for the new normal.

4. To guide and coordinate the possible MSME promotion activities, it is decided to appoint an **Advisory Committee on Telangana State IT MSME Promotion** with representation from ITE&C Department and HYSEA (Hyderabad Software Enterprises Association) the IT & ITES Industry body in the State. The Principal Secretary, ITE&C Department, Govt of Telangana will be the Chairman of the Advisory Committee and the Committee shall have the following composition:-

1. Principal Secretary, ITE&C Dept, Govt of Telangana – Chairman
2. Managing Director, TSTS, Govt of TS – Member
3. OSD, Emerging Technologies, ITE&C Dept, Govt of TS – Member
4. President, HYSEA– Member
5. SME Forum Leader from HYSEA – Member
6. COO, HYSEA – Member
7. Regional Director, NASSCOM – Member
8. CRO, ITE&C Dept, Govt of TS – Member Convener

5. The Advisory Committee would be responsible for the following Charter:-

- i. Come up with/Modify domestic preference guidelines to ensure all IT projects awarded by TS Govt goes to companies registered in TS. In case of Large Projects up to a certain threshold, which require multi competency or proportionate financial strength, SME consortiums shall be encouraged to participate. The Committee shall define appropriate norms for consortium bidding in respect to pre-qualification criteria that takes into consideration the combined credentials of the consortium. Exception could be Very Large projects beyond a certain threshold which can be open tenders.
- ii. In case of these very large projects (Open tenders), committee to define guidelines to ensure a pre-bid consortium between the large company (Prime Bidder) and TS-based MSME; at least 30% of the project work shall go to MSMEs (One or more based on the competency needs)

- iii. The Committee will define a competency framework to identify & shortlist companies based on competency and eligibility to Bid for /or be part of a consortium
- iv. Committee shall define norms and oversee that the projects get awarded equitably across qualified MSMEs (subject to meeting competency/pre-qualification requirements). The Committee also shall take in-to consideration the impact of the pandemic while short listing competent eligible companies for TS Govt., business.
- v. Moderate pre-qualification norms around : Past Track record of SMEs, yearly turnover requirement, Earnest Money Deposits (EMD), Performance guarantee etc., and offer suitable Payment Terms and well defined change management processes to enable SME's participation by easing out the capital burden & cash flow challenges for them.
- vi. The committee shall come up with a mechanism to create visibility of all IT Projects/Spend by TS Government in the form of a dashboard.
- vii. Committee shall identify departments that might require innovative solutions & enable proactive solution offerings by SMEs around new technologies like AI-ML/IOT/Cloud/Cyber Security/Computer Vision/AR-VR/Block Chain & any other latest technologies. Also review existing proposals if any by SMEs for possible consideration by the respective department.
- viii. Coordination among respective departments and participating agencies, Guidance for handling issues that arise during promotion activities.
- ix. Any other appropriate initiatives as required for the support of IT MSMEs in the State of Telangana.

6. The Advisory Committee shall meet once a month or as and when required. The advisory Committee may co-opt experts as consultants or special invitees to assist the committee in its work as and when required.

7. Any Financial budget requirements towards the implementation of Committee Guidelines, the Committee may recommend an appropriate budget provisioning under the ITE&C Department.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF TELANGANA)

**JAYESH RANJAN
PRINCIPAL SECRETARY TO GOVERNMENT**

To
The Managing Director, TSTS, Hyderabad
The OSD, Emerging Technologies, ITE&C Dept
The President, HYSEA, Hyderabad
The COO, HYSEA, Hyderabad
The SME Forum Leader, HYSEA, Hyderabad
The Regional Director, NASSCOM, Hyderabad
The CRO, ITE&C Dept

Copy to:
The PS to Prl.Secretary, ITE&C
SF/SC

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SECTION OFFICER